

1-1 By: Hilderbran, et al. (Senate Sponsor - Williams) H.B. No. 1022
1-2 (In the Senate - Received from the House April 24, 2007;
1-3 April 26, 2007, read first time and referred to Committee on
1-4 Finance; May 19, 2007, reported favorably by the following vote:
1-5 Yeas 11, Nays 0; May 19, 2007, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the exemption from ad valorem taxation of a motor
1-9 vehicle owned by an individual and used in the course of the owner's
1-10 occupation or profession and also for personal activities of the
1-11 owner and to the rendition of such vehicles.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by
1-14 adding Section 11.253 to read as follows:

1-15 Sec. 11.253. MOTOR VEHICLE USED FOR PRODUCTION OF INCOME
1-16 AND FOR PERSONAL ACTIVITIES. (a) Except as provided by Subsection
1-17 (c), an individual is entitled to an exemption from taxation of one
1-18 motor vehicle owned by the individual that is used in the course of
1-19 the individual's occupation or profession and is also used for
1-20 personal activities of the owner that do not involve the production
1-21 of income.

1-22 (b) In this section, "motor vehicle" means a passenger car
1-23 or light truck as those terms are defined by Section 502.001,
1-24 Transportation Code.

1-25 (c) A person who has been granted or applied for an
1-26 exemption under this section may not apply for another exemption
1-27 under this section until after the application or exemption has
1-28 been denied.

1-29 (d) This section does not apply to a motor vehicle used to
1-30 transport passengers for hire.

1-31 SECTION 2. Section 22.01(k), Tax Code, is amended to read as
1-32 follows:

1-33 (k) Notwithstanding Subsections (a) and (b), an individual
1-34 who has been granted or has applied for an exemption from taxation
1-35 under Section 11.253 for a motor vehicle the individual owns ~~[and is~~
1-36 ~~the primary operator of one or more passenger cars or light trucks~~
1-37 ~~in the course of the individual's occupation or profession and also~~
1-38 ~~operates those vehicles for personal activities that do not involve~~
1-39 ~~the production of income]~~ is not required to render the motor
1-40 vehicle ~~[vehicles]~~ for taxation. ~~[In this subsection, "passenger~~
1-41 ~~car" and "light truck" have the meanings assigned by Section~~
1-42 ~~502.001, Transportation Code.]~~

1-43 SECTION 3. (a) This Act applies beginning with the tax
1-44 year that begins January 1, 2007.

1-45 (b) For purposes of applying Section 11.253, Tax Code, as
1-46 added by this Act, to the 2007 tax year, a person claiming an
1-47 exemption from ad valorem taxation under that section in 2007 may
1-48 apply for the exemption not later than April 1, 2008. The chief
1-49 appraiser of an appraisal district shall correct the appraisal roll
1-50 for the district to reflect any exemption granted by the chief
1-51 appraiser under Section 11.253, Tax Code, as added by this Act, for
1-52 the 2007 tax year as soon as practicable and shall promptly certify
1-53 each exemption to the assessor for each taxing unit that imposes ad
1-54 valorem taxes on a motor vehicle owned by the person. If a person
1-55 who is granted an exemption under Section 11.253, Tax Code, as added
1-56 by this Act, for the 2007 tax year paid taxes on the person's exempt
1-57 motor vehicle for 2007 before the date the person was granted the
1-58 exemption, the collector for the taxing unit shall refund the
1-59 amount of taxes paid on the exempt motor vehicle not later than the
1-60 30th day after the date the exemption is certified to the assessor
1-61 for the unit.

1-62 SECTION 4. This Act takes effect on the date on which the
1-63 constitutional amendment proposed by the 80th Legislature, Regular
1-64 Session, 2007, authorizing the legislature to exempt from ad

2-1 valorem taxation one motor vehicle owned by an individual and used
2-2 in the course of the owner's occupation or profession and also for
2-3 personal activities of the owner, takes effect, if that
2-4 constitutional amendment is approved by the voters. If that
2-5 constitutional amendment is not approved by the voters, this Act
2-6 has no effect.

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